

HUNT HEIR CLAIMS FRAUD IN PLAN TO MAKE NICKE-A-GALLON MOTOR FUEL  
BY WILLIAM H. INMAN  
DALLAS, TX.

A man accused of trying to bilk investors who thought he could turn water into cheap motor fuel falsely claimed he was protected by the Central Intelligence Agency, prosecutors said.

A 12-member jury in the fraud trial of Ronald Albert Lasteed, an Englishman, Tuesday listened to a secretly taped conversation in which the defendant discussed his "Ionagen" invention with oilman Al G. Hill, an heir to the H.L. Hunt fortune, and another former co-defendant Joseph Shea Peeples.

Prosecutors said investors sunk more than \$2 million in the scheme to produce and market "Ionagen," a fuel supposedly costing 5 cents a gallon and made from ionized water particles.

Hill testified Tuesday he was the target of scientific hoaxers seeking money from him and his uncle, Nelson Bunker Hunt.

But Peeples, a Houston business promoter, claimed he was framed by the FBI.

"Hill went to the FBI immediately after meeting with my client," said Michael Carnes, attorney for Peeples.

"The FBI told him what to do. It was like a sting operation. The FBI was directly involved in negotiations. Everything was being tape-recorded and Mr. Hill appeared to be operating from a script."

Peeples promoted the Lasteed research and sought Texas investors, including Hill and Hunt. Later, investors found, many of the claims relayed by Peeples were false.

Prosecutors said Lasteed -- through the efforts of Peeples -- falsely claimed he was protected by the Central Intelligence Agency and under White House orders not to release the fuel formula to foreign nations.

Lasteed also falsely claimed he held a degree in "dimensional metrology," his indictment indicated.

U.S. District Judge Jerry Buchmeyer ruled Monday that Lasteed should be tried separately from Peeples. No trial date has been set for Peeples. The trial of Lasteed was expected to last at least two weeks.

Hill testified Tuesday he grew suspicious when first approached in February 1983 and contacted the FBI.

Lasteed's attorney F. Lee Bailey, who represented newspaper heiress Patty Hearst in her bank robbery trial and defended the Boston strangler Albert DeSalvo, said Peeples created the falsifications about the formula and Lasteed's background.

Bailey declined to present an opening argument Tuesday, but kept the option of presenting one when the government finished its direct testimony.

If convicted, Lasteed faces a maximum penalty of 50 years in prison and a \$27,000 fine.

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BRITISH OFFICIALS DISPUTE "IONAGEN" INVENTOR CLAIMS  
DALLAS, TX

A British inventor, accused of bilking millions from wealthy Texans in exchange for rights to sell his water-fuel device, was never granted a doctorate degree in "dimensional metrology" as he claimed, a university official testified Wednesday.

Ronald Albert Lasteed, in fact, never attended the University of Keele, England, said David Cohen, the university's registrar.

Moreover, the degree claimed by Lasteed was apparently fictitious, Cohen told prosecutors.

Lasteed was indicted by a federal grand jury on multiple charges of fraud.

Prosecutors said investors sunk more than \$2 million in his scheme to produce and market "Ionagen," a fuel supposedly costing 5 cents a gallon and made from ionized water particles.

Al G. Hill, an heir to the estate of the late H.L. Hunt, testified Tuesday he was the target of efforts by Lasteed and a Houston promoter, Joseph Shea Peeples. Peeples will be tried at a later date.

In other testimony Wednesday, an English government official said he met with the inventor but politely dismissed his work.

Hector Patrick Munro, representing the British equivalent of the Department of Energy, said Lasteed met with him in mid 1981. Munro told Lasteed the government was not interested in researching the project, nor would it endorse the scheme, prosecutors said.

In addition, Justin Bloom, science attache at the U.S. embassy in London, testified he was also skeptical of the inventor's claims when he first met Lasteed in September 1981.

Prosecutors said Lasteed -- through the efforts of Peeples -- falsely claimed he was protected by the Central Intelligence Agency and under White House orders not to release the fuel formula to foreign nations.

The trial of Lasteed is expected to last through next week, prosecutors said.

Lasteed's attorney F. Lee Bailey, who represented newspaper heiress Patty Hearst in her bank robbery trial and defended the Boston strangler Albert DeSalvo, said Peeples created the falsifications about the formula and Lasteed's background.

If convicted, Lasteed faces a maximum penalty of 50 years in prison and a \$27,000 fine.